

Financial Results for FY2021 (ended May 31, 2022)

Weathernews Inc
June 30, 2022



1. FY2021 Results

2. FY2022 Full-year Forecast

Summary of financial results

【 Net sales 】19,650MJPY (+4.3% YoY)

Increased sales due to Mobile and Sea Planning

【 Operating profit 】 2,904MJPY (+18.8% YoY)

Continued advertising investment and promoted in-house development system

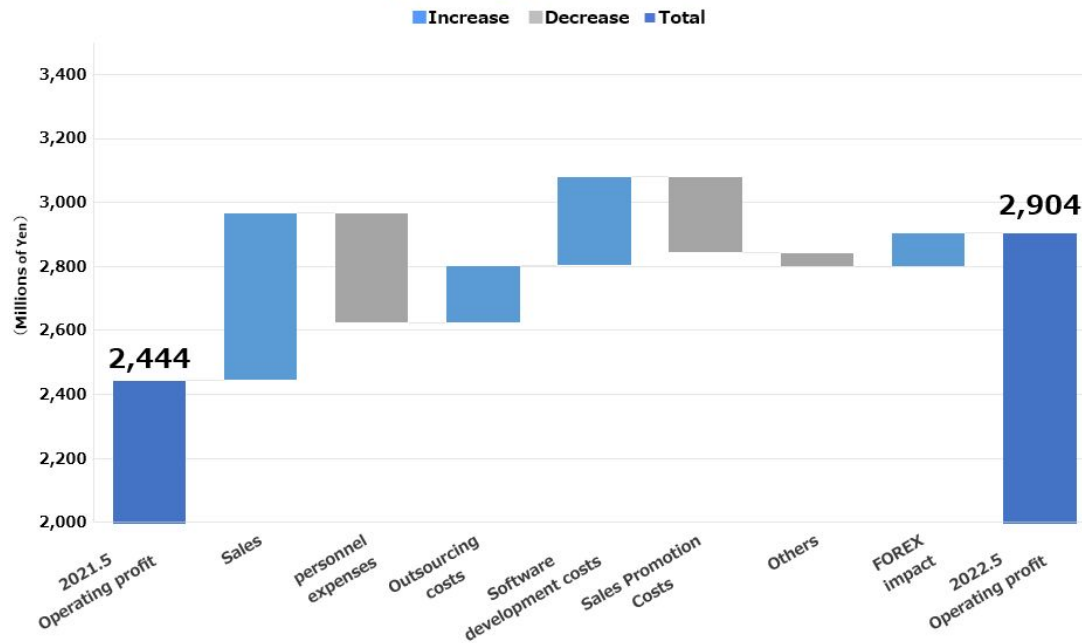
(Millions of Yen)	2021.5 Actual	2022.5 Forecast	2022.5 Actual	Y/Y	Chg. Vs Fcst.
Net sales	18,843	19,500	19,650	+4.3%	+0.8%
Operating profit	2,444	2,800	2,904	+18.8%	+3.7%
Margin (%)	13.0	14.4	14.8	+1.8Pt	+0.4Pt
Ordinary profit	2,554	2,900	3,063	+19.9%	+5.6%
Profit attributable to owners of parent	1,861	2,000	2,157	+15.9%	+7.9%
EPS (JPY)	169.8	182.0	196.3	+26.4	+14.2 JPY
ROE (%)	12.5	-	13.4	+0.9Pt	-
FOREX Rates (JPY/USD)	106.2	108.1	113.9	+7.7	+5.8 JPY

※Forecast: Earnings forecast announced on December 28, 2021

Operating Income Analysis (Y/Y)

- Increased sales promotion costs due to increased investment in advertising such as TV commercials and online advertising
- Increased personnel expenses due to continuous strengthening of engineers
- Reduction of outsourcing costs and software development costs due to optimization of development and operation system

Operating profit Analysis



1. FY2021 Results

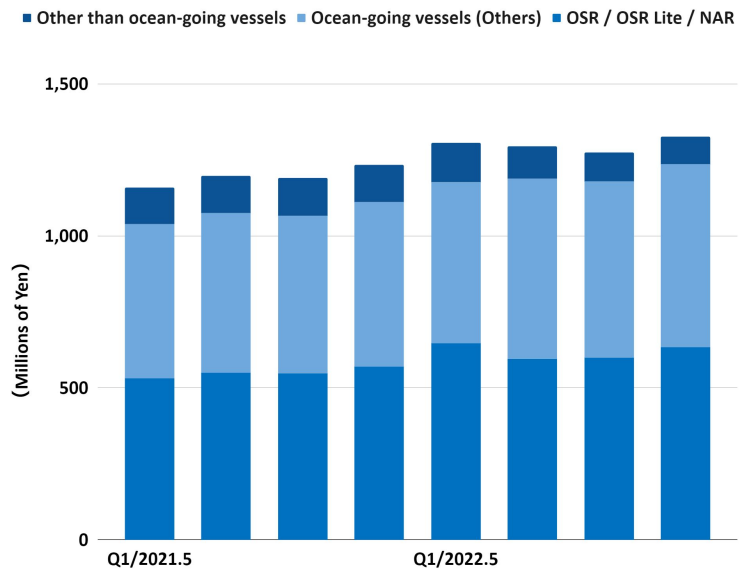
Sales by Segment

(Millions of Yen)	2021.5 Actual	2022.5 Actual	Y/Y (%)	Business environment and results
Sea Planning	4,798	5,202	+8.4	<ul style="list-style-type: none"> • The shipping market is booming due to soaring freight rates, but cargo movements continue to slow down due to port congestion. • Increased sales by launching new services to prevent grounding and support CO2 emission reduction
Sky Planning	927	934	+0.8	<ul style="list-style-type: none"> • Covid 19 impact continues throughout the year in the commercial airline market • Sales increased due to sales expansion of the flight tracking system in domestic helicopter market
Land Planning	3,651	3,262	△10.6	<ul style="list-style-type: none"> • Railroad and highway market conditions are recovering, but they do not return to their previous levels • Sales declined due to a decrease in sales of a specific customer
Environment Planning	869	894	+2.9	<ul style="list-style-type: none"> • The conversion to renewable energy has accelerated further, and the number of inquiries from customers regarding power generation forecasts has increased. • Continue to strengthen our marketing for manufacturing and retailing.
Others BtoB	13	65	+388.2	<ul style="list-style-type: none"> • Increased sales with our weather information service for various sports competitions
Mobile · Internet Plannig	6,106	6,821	+11.7	<ul style="list-style-type: none"> • Increased number of our app users by raising awareness through aggressive advertising investment • Subscription sales and advertising revenue increased due to increased user satisfaction and frequency of use due to improved forecast accuracy and distribution of original contents.
Broadcast Planning	2,477	2,470	△0.3	<ul style="list-style-type: none"> • Needs for disaster prevention information increase, but our sales to some customers decreased

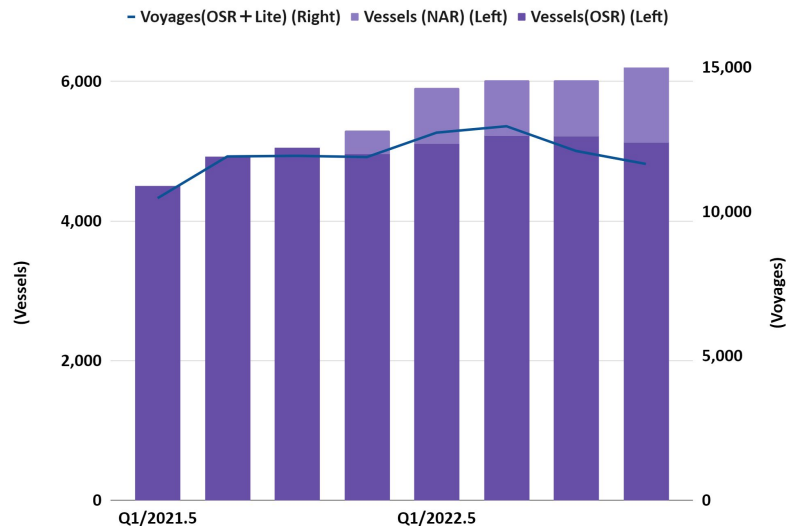
Sea Planning business

- Overall market conditions: The shipping market is booming due to soaring freight rates, but cargo movements continue to slow down due to port congestion and other factors.
- Number of vessels: The number of vessels provided by the service increased to 6,000 due to sales expansion of existing customers (5,300 at the end of May, 2021)

Sea Planning Sales (Quarterly transition)



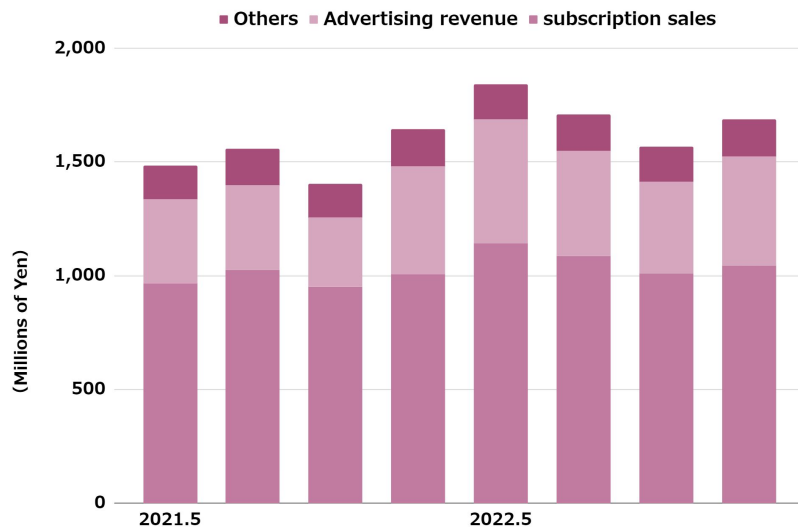
Number of vessels provided the service and the number of voyages (Quarterly transition)



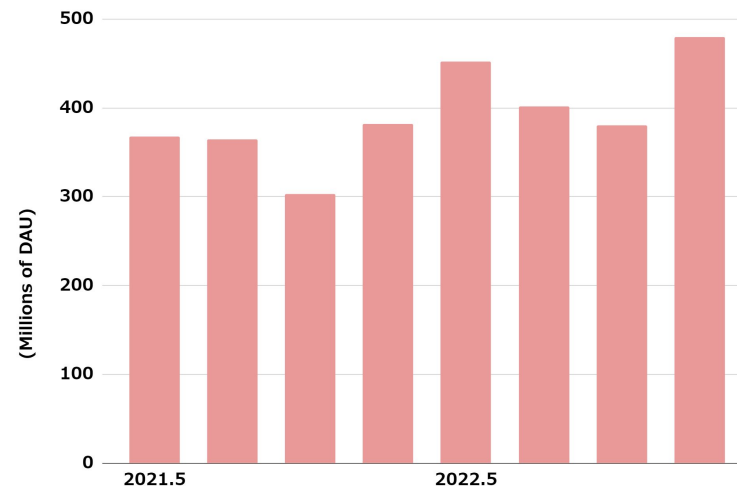
Mobile/ Internet Planning business

- Increased user usage frequency by improving forecast accuracy, enhancing original content, and strengthening advertising investment
- Cumulative DAU (Daily Active Users) increased and subscription sales and advertising revenue grew

Mobile · Internet Sales (Quarterly Transition)



Cumulative DAU (Quarterly Transition)



[CAPEX] Decrease in software capitalization due to shift to agile development

[R&D] Decrease in temporary cost of new radar prototype in the previous year
(On the other hand, the scale of the R&D department has expanded)

(Millions of Yen)	2021.5 Actual	2022.5 Actual
Capital expenditure	612	479
Depreciation	843	871
R&D Expenses	599	534
Number of employees	1,101	1,120

Summary of Financial forecast

【Net sales】21,000MJPY (+6.9% Y/Y)

Expected to increase sales due to continued growth of Mobile planning and recovery of voyage/ aviation market conditions

【Operating profit】3,200MJPY (+10.2% Y/Y)

Advertising investment, investment related to overseas business, and efficiency improvement of development system are expected to continue

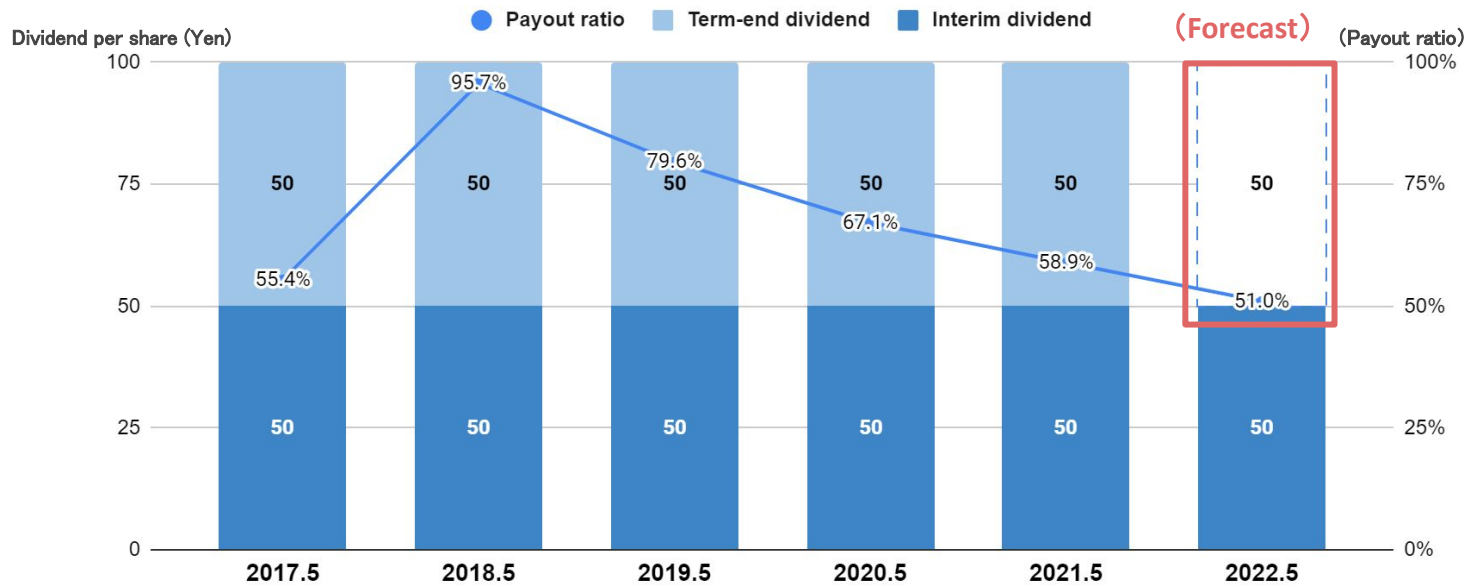
(Millions of Yen)	2022.5 Actual	2023.5 Forecast	Y/Y (%)
Net sales	19,650	21,000	+6.9%
Operating profit	2,904	3,200	+10.2%
Margin (%)	14.8	15.2	+0.4Pt
Ordinary profit	3,063	3,300	+7.7%
Profit attributable to owners of parent	2,157	2,400	+11.3%
EPS (JPY)	196.3	202.6	+6.3JPY
ROE (%)	13.4	13.8	+0.4Pt
FOREX Rates (JPY/USD)	113.9	120.0	+6.1JPY

2. FY2022 Full-year Forecast

Dividend Guidance

<Dividend policy>

Based on the policy of “high contribution, high profit, and high distribution,” the annual dividend per share will be 100 yen, taking into consideration business performance, capital efficiency, dividend yield, etc., with a dividend payout ratio of 50% as a guide.



※The year-end dividend for the fiscal year ending May 2022 is scheduled to be resolved at the Ordinary General Meeting of Shareholders in August 2022, and the interim and year-end dividends for the fiscal year ending May 2023 are undecided.

APPENDIX

Consolidated Balance Sheet

(Millions of Yen)	2021.5 Actual	2022.5 Actual	Y/Y
Current assets	13,349	15,314	1,965
Non-current assets	4,343	3,812	△531
Total assets	17,692	19,127	1,435
Current Liabilities	2,185	2,163	△22
Non-current liabilities	67	119	52
Total Liabilities	2,253	2,283	30
Total net assets	15,439	16,843	1,404
Equity-to-asset ratio (%)	86.8	87.6	+0.8Pt
Net assets per share (JPY)	1,399.2	1,523.3	+124.1 JPY

Consolidated Profit and loss Statement(Q4 2021.5 vs Q4 2022.5)

(Millions of Yen)	2021.5 Q4 Actual	2022.5 Q4 Actual	QoQ (%)
Net sales	5,156	4,936	△4.3
Operating profit	783	784	0.2
Margin (%)	15.2	15.9	+0.7 Pt
Ordinary profit	877	946	7.9
Profit attributable to owners of parent	652	679	4.1
EPS (JPY)	59.5	61.8	+2.3 JPY
ROE (%)	-	-	-
FOREX Rates (JPY/USD)	105.4	117.3	+11.9 JPY

Sales by Segment (Q4 2021.5 vs Q4 2022.5)

(Millions of Yen)	2021.5 Q4 Actual	2022.5 Q4 Actual	QoQ (%)
Sea Planning	1,251	1,330	6.3%
Sky Planning	233	248	6.4%
Land Planning	1,083	773	△28.6%
Environment Planning	258	233	△9.7%
Others BtoB	5	4	△20%
Mobile · Internet Plannig	1,650	1,692	2.5%
Broadcast Planning	684	665	△2.8%

Sales by Segment (Quarterly transition)

(Millions of Yen)	2021.5 Actual				2022.5 Actual			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sea Planning	1,161	1,196	1,190	1,251	1,306	1,293	1,273	1,330
Sky Planning	231	214	249	233	221	224	241	248
Land Planning	752	808	1,008	1,083	790	802	897	773
Environment Planning	205	206	200	258	202	219	240	233
Others BtoB	6	1	1	5	34	25	2	4
Mobile · Internet Plannig	1,486	1,563	1,407	1,650	1,845	1,712	1,572	1,692
Broadcast Planning	593	609	591	684	586	611	608	665



We have created this material based on the information we currently have and certain assumptions that we deem reasonable. We make no representations or warranties with respect to the accuracy or completeness of this material.

In addition, future statements such as business forecasts are based on certain assumptions that the Company deems reasonable at this time. Actual performance may vary due to factors such as various risks and uncertainties.